

Tourism Promotion Will Boost Missouri's Economy

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In FY 2009, travelers in Missouri spent about \$7.88 billion and industrial output due to travel is estimated to have been \$12.3 billion. More than 285,000 jobs in the state were in tourism-related industries and state tax revenues resulting from travel were \$670 million (Kaylen 2010). Other research conducted by the U.S. Travel Association indicates travel in Missouri has an even higher economic impact: \$12.3 billion in spending, \$2.9 billion in payroll, 125,600 jobs and \$1.8 billion in tax receipts (U.S. Travel Association 2009).

Despite the obvious positive economic impact of tourism on Missouri's economy, the state is missing an opportunity to increase tourism by reducing funding for the Missouri Division of Tourism, the agency responsible for marketing the state as a travel destination. In FY 2010, the budget was \$13.4 million even though legislation requires funding to be at more than \$29 million. Not only is the Division of Tourism spending less on promoting the state, the cuts to the agency's budget resulted in a 25 percent decrease in funding available for the Cooperative Marketing Program, a matching funds program administered by the division. Those cuts had a corresponding dollar-for-dollar impact on the destination marketing organizations that utilize the program to market travel destinations statewide.

Unlike other industry the state might pursue, increasing tourism – and the jobs and revenue that come with it – would require little investment and have high return. Manufacturing and high-tech companies, for example, often require tax incentives and significant investment in infrastructure and many industries can have a negative impact on natural resources. Tourism, on the other hand, does not have a huge impact on the environment nor does it require tax incentives because the infrastructure already exists. High-quality attractions, hotels, museums, entertainment, theme parks, an abundance of rivers and lakes, state parks, cultural activities, sports, events and many other resources are found in communities large and small and in the state's rural areas.

The impact of tourism marketing is clear when one looks at the history of marketing efforts in Colorado. In 1986, Colorado's image as a travel destination was poor so the state began a major national marketing campaign. Due to that campaign, from 1987 through 1993, market share increased 50 percent and the state moved from 14th nationally as a summer destination to first in 1993. Then in 1993, voters opposed a tourism tax and funding for tourism promotion was cut to zero. Market share in Colorado soon decreased 37%, the state's rank as a summer destination dropped, and more than \$2 billion in annual revenue was lost. In 2000, the state re-established the Colorado Tourism Office. By 2007, the state rebounded to an all-time high in overnight visitors. (Siegel 2009)

The widespread impact of tourism is another reason tourism marketing should be improved. Whether it's a metropolitan area or a rural state park, every part of the state benefits from tourism.

Places Visited	2008 All Markets	2009 All Markets
St. Louis	34%	32%
Branson	33%	28%
Kansas City	20%	20%
Lake of the Ozarks	11%	13%
Springfield	14%	12%
A Missouri state park	8%	10%
Silver Dollar City	12%	8%
St. Charles	6%	6%
Joplin/Carthage	7%	5%
Columbia	6%	5%
Jefferson City/State Capital	4%	4%
Cape Girardeau	4%	4%
Hannibal	5%	3%
Lewis & Clark Trail/Sites	3%	3%
Katy Trail	2%	2%
Civil War Sites	3%	2%
Other	12%	14%

(Missouri Division of Tourism 2010)

The funding mechanism for the Division of Tourism – known as HB 188 – is already in place yet it is being overlooked by the state's leaders who continue year after year to ignore the legislation. The legislation provides funding for tourism promotion, yet much of the revenue is instead used for programs and services that do not have the same high rate of return. The funding mechanism, in fact, is a results-oriented formula that takes only a percentage of the growth in sales tax generated by the travel industry. In other words, when tourism grows, the money available to promote tourism grows along with money for other needs. And when the money available to promote tourism increases, tourism increases. That's one reason the legislation is considered the gold standard nationwide and many other states have adopted similar funding mechanisms.

As the Department of Economic Development seeks ways to boost the state's economy, it is clear the types of jobs available in the state should be diverse. It is also clear, however, that increasing promotion of tourism is one of the fastest and easiest ways to utilize the resources the state has at hand. During these difficult economic times, there is no point in reinventing the wheel when all we need to do is put a little more air in the tires of tourism promotion.

Sources

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